

1 AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky  
2 relating to casino gaming.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. It is proposed that Section 226 of the Constitution of Kentucky be  
5 amended to read as follows:

6 (1) The General Assembly may establish a Kentucky state lottery and may establish  
7 a state lottery to be conducted in cooperation with other states. Any lottery so established  
8 shall be operated by or on behalf of the Commonwealth of Kentucky.

9 (2) The General Assembly may by general law permit charitable lotteries and  
10 charitable gift enterprises and, if it does so, it shall:

11 (a) Define what constitutes a charity or charitable organization;

12 (b) Define the types of charitable lotteries and charitable gift enterprises which may  
13 be engaged in;

14 (c) Set standards for the conduct of charitable lotteries and charitable gift  
15 enterprises by charitable organizations;

16 (d) Provide for means of accounting for the amount of money raised by lotteries  
17 and gift enterprises and for assuring its expenditure only for charitable purposes;

18 (e) Provide suitable penalties for violation of statutes relating to charitable lotteries  
19 and charitable gift enterprises; and

20 (f) Pass whatever other general laws the General Assembly deems necessary to  
21 assure the proper functioning, honesty, and integrity of charitable lotteries and charitable  
22 gift enterprises, and the charitable purposes for which the funds are expended.

23 (3) **The General Assembly may by general law define and permit casino gaming**  
24 **and, if it does so, it shall:**

25 **(a) Provide for the oversight and control of casino gaming by an administrative**  
26 **body funded by license fees and taxes levied on casino gaming;**

27 **(b) Prior to the fiscal year beginning July 1, 2028, allocate 100% of the proceeds**

1 generated from licensing fees and taxation of casinos and casino gaming in excess of  
2 the amount required by paragraph (a) of this subsection to the Kentucky Employees  
3 Retirement System nonhazardous pension fund, the Kentucky Employees Retirement  
4 System hazardous pension fund, and the Kentucky Teachers' Retirement System  
5 pension fund in amounts the General Assembly determines best meet the needs of the  
6 respective funds at that time; and

7 (c) In the fiscal year beginning July 1, 2028, and thereafter, the General  
8 Assembly may allocate all proceeds generated from licensing fees and taxation of  
9 casinos and casino gaming in excess of the amount required by paragraph (a) of this  
10 subsection.

11 (4) Except as provided in this section, lotteries and gift enterprises are forbidden,  
12 and no privileges shall be granted for such purposes, and none shall be exercised, and no  
13 schemes for similar purposes shall be allowed. The General Assembly shall enforce this  
14 section by proper penalties. All lottery privileges or charters heretofore granted are  
15 revoked.

16 ➔Section 2. This amendment shall be submitted to the voters of the  
17 Commonwealth for their ratification or rejection at the time and in the manner provided  
18 for under Sections 256 and 257 of the Constitution and under KRS 118.415. The question  
19 to be submitted to the voters regarding this proposed amendment shall read: "Are you in  
20 favor of amending the Kentucky Constitution to allow the General Assembly to permit  
21 casino gaming if the proceeds are allocated to the public pension systems for a specified  
22 time period?".